



PADCO/U.S.A.I.D. SOCIAL SECTOR RESTRUCTURING PROGRAM

PADCO International Inc., 25 Kreshchatyk, # 22, Kyiv, Ukraine, 25201

Tel: 38 044 229 3264; FAX 38 044 229 5322

e-mail: rvaughan@padco.kiev.ua

POLICY REPORT No. 27

PROPOSAL TO CREATE A SOCIAL PROTECTION MONITORING PROGRAM IN THE MINISTRY OF SOCIAL PROTECTION

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CONCLUSIONS

Ukraine urgently needs a program to provide timely, accurate, reports on the social protection needs of the population of Ukraine and on the effectiveness of existing social protection programs in meeting those needs.

The responsibility for managing this program should be given to the Ministry of Social Protection of the Population of Ukraine. The Ministry generates much of the necessary information in managing the programs it administers for families and individuals in Ukraine.

The program should be administered by a new Department of Social Protection Monitoring created within the Ministry of Social Protection which would operate in facilities in Kharkiv and Kyiv.

The new Department should collect computerized databases from a sample of raion social protection offices as well as conduct regular surveys of population samples.

The new Department should produce regular reports for the Office of the President, the Cabinet of Ministers, Ministry of Social Protection, and for other ministries based on the types of pilot reports already produced by the housing subsidy program.

Prepared by PADCO for the Ministry of Social Protection of the Population of Ukraine

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1. WHY UKRAINE NEEDS A SOCIAL PROTECTION MONITORING PROGRAM

At present, there is no program that provides policy makers with an up-to-date picture of the economic and social well-being of the population of Ukraine, the needs of groups within that population, and the effectiveness of Ukraine's social protection system in meeting those needs. Yet social protection issues are among the most controversial policy issues facing Ukraine during its economic transition.

1.1. THE OBJECTIVES OF THE SOCIAL PROTECTION MONITORING PROGRAM

Ukraine needs to set up a program to monitor information about the social protection needs of the population and the impacts of social protection programs. This is needed to meet the following objectives:

1. To assess the economic and social needs of the whole population of Ukraine and of special, vulnerable groups;
2. To measure the effectiveness of existing social insurance and social protection programs in meeting the needs of the people of Ukraine;
3. To measure how economic and social reforms in Ukraine are affecting the well-being of the people and their needs for social protection; and
4. To assist the Ministry of Social Protection in managing social insurance and social protection programs.

1.2. WHY SOCIAL PROTECTION MONITORING IS IMPORTANT TODAY

The Constitution of Ukraine guarantees social protection for the population of Ukraine. But Ukraine's continuing economic and fiscal crises have put great pressure on Ukraine's capacity to meet its constitutional obligations to its people through traditional social insurance and social protection programs. Ukraine's transition to a market economy has been accompanied by a sharp increase in the incidence and severity of poverty. Since 1990, Ukraine has experienced a free-fall drop in real incomes and a decline in national output. Between 1991 and 1996, the standard of living -- measured as the ratio between the average household income and the Minimum Consumption Basket -- dropped by almost 70 percent. According to the ILO Report (1995), the standard of living in Ukraine fell in the space of only 28 months (November 1991 to March 1994) by almost 80 percent.¹

High monthly rates of inflation, labor market adjustments, and an overall drop in output have adversely affected the poor, especially those dependent on state pensions, invalid benefits, stipends, unemployment benefits and family income allowances. Continuing economic liberalization will bring about further growth in income inequality among occupations, industries, and regions.

The growing need to provide social protection for the neediest families coincides with shrinking tax bases and progress toward reducing fiscal deficits and monetary emissions. Thus, Ukraine must develop

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"Ukraine: Report to the Government on Social Protection Reform and Issues of Implementation," ILO and UN (1995), p.15.

ways to protect needy people and families in ways that minimize the financial burden to the government. Protecting the poor, in the short run, therefore requires the careful targeting of expenditures for general social assistance programs -- subsidies for housing, transportation, social services and other benefits.

Major savings can also be made through greater managerial efficiency of social programs. But more effective targeting as well as increased efficiency will require a significant investment in data collection and processing activities by the Ministry of Social Protection.

The purpose of the Social Protection Monitoring Program described in this paper is to create a system that will gather and process accurate and up-to-date socio-demographic and economic profiles of the population and of the people receiving benefits under the nation's major social insurance and social protection programs. This will fulfill the goal specified in Decree of the Cabinet of Ministers of Ukraine, No. 326, "Concept of National Statistics of Ukraine," dated May 4, 1993, which states: "The main assignments of welfare statistics shall be to improve analysis for the social protection of the most vulnerable groups in the population (pensioners, invalids, and children), to upgrade methods of determining the safety net for such people, to introduce a system of cost indicators which would reflect their status and the government's outlays for social programs."

The data and analyses prepared under this program will enable the Cabinet of Ministers, the Ministry of Social Protection, as well as oblast and local departments of social protection to generate comprehensive reports on the economic and social status of the population, the characteristics of individuals and families receiving social benefits, cumulative budgetary allocations for social programs, administrative costs of running the programs, rates of enrollment, renewals, dropouts, and socio-demographic profiles of program beneficiaries. The data and analysis generated by the Social Protection Monitoring Program would provide the foundation for improving the targeting and cost-effectiveness of social protection programs. They would also provide valuable insights for elected and appointed officials who design new social programs in the future.

2. WHY THE SOCIAL PROTECTION MONITORING PROGRAM SHOULD BE WITHIN THE MINISTRY OF SOCIAL PROTECTION

2.1. THE ADVANTAGES OF CREATING A SOCIAL MONITORING PROGRAM WITHIN THE MINISTRY OF SOCIAL PROTECTION

The responsibility for collecting and processing most – but not all – statistics associated with the activities of the Government of Ukraine rests with the Ministry of Statistics. An exception is made, however, for social protection programs and the social protection needs of the population where the urgency for accurate statistics and the special competence and data collection powers of local offices of the Ministry of Social Protection is recognized.²

There are five reasons why the Social Protection Monitoring Program should be managed by the Ministry of Social Protection Program:

² Article 5 of the Law of the Supreme Rada, No. 2615-12, dated September 17, 1992: "Besides State Statistical bodies, other Ministries, organizations, and legal entities shall be engaged in state statistics as part of statistical accounting. The scope of branch accounting shall be determined by respective [Ministries and departments independently and approved by state statistical authorities." The power to define state statistical policy rests with the Cabinet of Ministers.

1. The Social Protection Monitoring Program is needed to produce and analyze data quickly, accurately and to show, in detail, the characteristics and the needs of the population and different groups within the population;
2. The Ministry of Social Protection is responsible for managing a large array of social insurance and social protection programs through a nationwide system of offices; in carrying out its responsibilities, the Ministry of Social Protection understands population and programmatic details better than other Ministry;
3. The Ministry of Social Protection has developed through housing subsidy offices a computerized system for reporting on social assistance programs and their impacts on the population that should serve as the model for new social protection monitoring program;
4. The Ministry of Statistics gathers and distributes vital economic and social statistics. But it cannot provide such detailed and timely information as local offices of the Ministry of Social Protection can generate; and
5. The Cabinet of Ministers recently established a social protection data center in Kharkiv that will expand the operations of the Institute for Research on Handicapped People.

2.2. THE SPECIAL RESOURCES AND RESPONSIBILITIES OF THE MINISTRY OF SOCIAL PROTECTION

Currently there are many social protection programs in Ukraine administered by the Ministry of Social Protection. These programs are administered through the nationwide network of hundreds of local offices. The programs assist millions of Ukrainians who have a constitutional right to social insurance and who require special economic assistance: the housing subsidy program allocates subsidies to five million families; pensions are distributed to over 14 million people; and family assistance benefits are provided to over three million families.³

The Government of Ukraine's ability to monitor the social protection needs of the population is severely impaired by the lack of data about key socio-demographic and economic parameters of the beneficiaries of all these programs -- except for the housing subsidy program. The records of the housing subsidy program in computerized raions are the only ones available in electronic format which provide a nationwide representative sample of low-income families. The databases that are compiled in local offices as an integral part of allocating housing subsidies contain information on family income, family size, including the number of children, age and sex of family members, type of housing, size of the family dwelling, as well as information on the monthly payments for housing and communal services and employment status of adult family members. No similar data exist or are readily available for the purposes of statistical analysis on any other social protection program.⁴ This nationwide program will serve as the model for the expanded Social Protection Monitoring Program.

³ These groups correspond to the priority groups for the collection of social welfare statistics as identified in cabinet of Ministers decree No. 326, dated May 4, 1993.

⁴ Under Article 9, Law of the Supreme Rada, No. 2615-12, dated September 17, 1992, "On State Statistics," all data on individuals can only be used in a depersonal or consolidated form."

3. HOW TO DESIGN THE SOCIAL PROTECTION MONITORING PROGRAM

3.1. OVERVIEW OF THE SOCIAL PROTECTION MONITORING SYSTEM

The program is designed to have the following characteristics:

1. The program would have its main data collection and processing facility in Kharkiv in the facility previously known as the Institute for Prosthetics Research.
2. This core function would be supported by an office in Kyiv to support policy analysis on social protection issues for the Cabinet of Ministers, the Ministry of Social Protection, the Supreme Rada and other agencies that need these services.
3. The Kharkiv center would receive social protection monitoring data from several sources:
 - * Computerized reports from a selected sample of local offices of the Ministry of Social Protection;
 - * The results of regular surveys of the population on incomes, expenditures and other data;
 - * The results of special surveys of population groups and programs identified and designed by the Ministry; and
 - * Data reported regularly from other Ministries such as the National Tax Administration and other government agencies that generate information relevant to assessing the social protection needs of the population of Ukraine under special agreement with the Ministry of Social Protection.
4. The center would prepare monthly and quarterly reports summarizing the changing needs of the population for the Ministry of Social Protection and the Cabinet of Ministers as well as reports to assist the Ministry in identifying the performance of local and oblast offices subordinate to the Ministry.
5. The center would have a core staff of experts in statistics and social protection programs to manage its activities. These would be supplemented by experts from other Ukrainian institutions employed as consultants to the center and by experts provided by international donor operations.
6. The program would be funded by: 1) regular budget allocations from the Government of Ukraine; 2) the sale of publications and databases, as determined by the Ministry of Social Protection and by the normative acts of Ukraine; and 3) contracts undertaken for public entities and private entities within Ukraine, and would also be eligible to receive grants, loans, and contracts from international organizations.

These aspects of the proposed Social Protection Monitoring Program are discussed in greater detail in the following subsections.

3.2. THE ADMINISTRATIVE STRUCTURE OF THE SOCIAL PROTECTION MONITORING DEPARTMENT

The Social Protection Monitoring Program would be subordinate to the Ministry of Social Protection and would be a new department within this Ministry. An overview of the administrative structure of the program is shown in Figure 1, on the following page.

The program would operate in Kharkiv – based in the facilities of the existing Prosthetics Research Institute. The head of the Department of Social Monitoring would report directly to the Minister of Social Protection. The work of the department would be guided by an advisory council on Social Protection issues appointed by the President. The council would include ministers and deputy ministers from the Ministry of Statistics, the Ministry of Labor, the Ministry of Finance, the Ministry of Economy, and other agencies. The purpose of this Advisory Council is to ensure that the research conducted by the Department meets the social protection goals of the President, that the work of the social protection monitoring program is coordinated with the work of other ministries such as the Ministry of Statistics, and that the results

of the department's research are made available to guide the development of policy on social protection in Ukraine.

The Department would also have a facility in Kyiv in order to ensure that the results of the Department's research can be distributed to the Office of the President, the Cabinet of Ministers, other ministries, and to deputies from the Supreme Rada.

3.3. DATA FOR SOCIAL PROTECTION MONITORING

To meet the four objectives described above, the center would have access to four types of data. These are:

1. Data reported directly from oblast and local offices of the Ministry of Social Protection;
2. Data gathered through regular surveys of the population of Ukraine;
3. Data from other Ministries reported to the Department of Social Protection Monitoring under special agreements with the Ministry of Social Protection.
4. Data resulting from special surveys and studies undertaken by the Department of Social Protection Monitoring.

The collection of all these types of data by the Ministry of Social Protection is envisaged under the Law of the Supreme rada "On State Statistics," No. 2615-12, dated September 17, 1992. This law explicitly gives the power to collect and process state statistical data to Ministries and departments of Ukraine and other legal entities engaged in state statistics (Article 13). These activities may be carried by these entities with the approval of the cabinet of Ministers (Article 7).

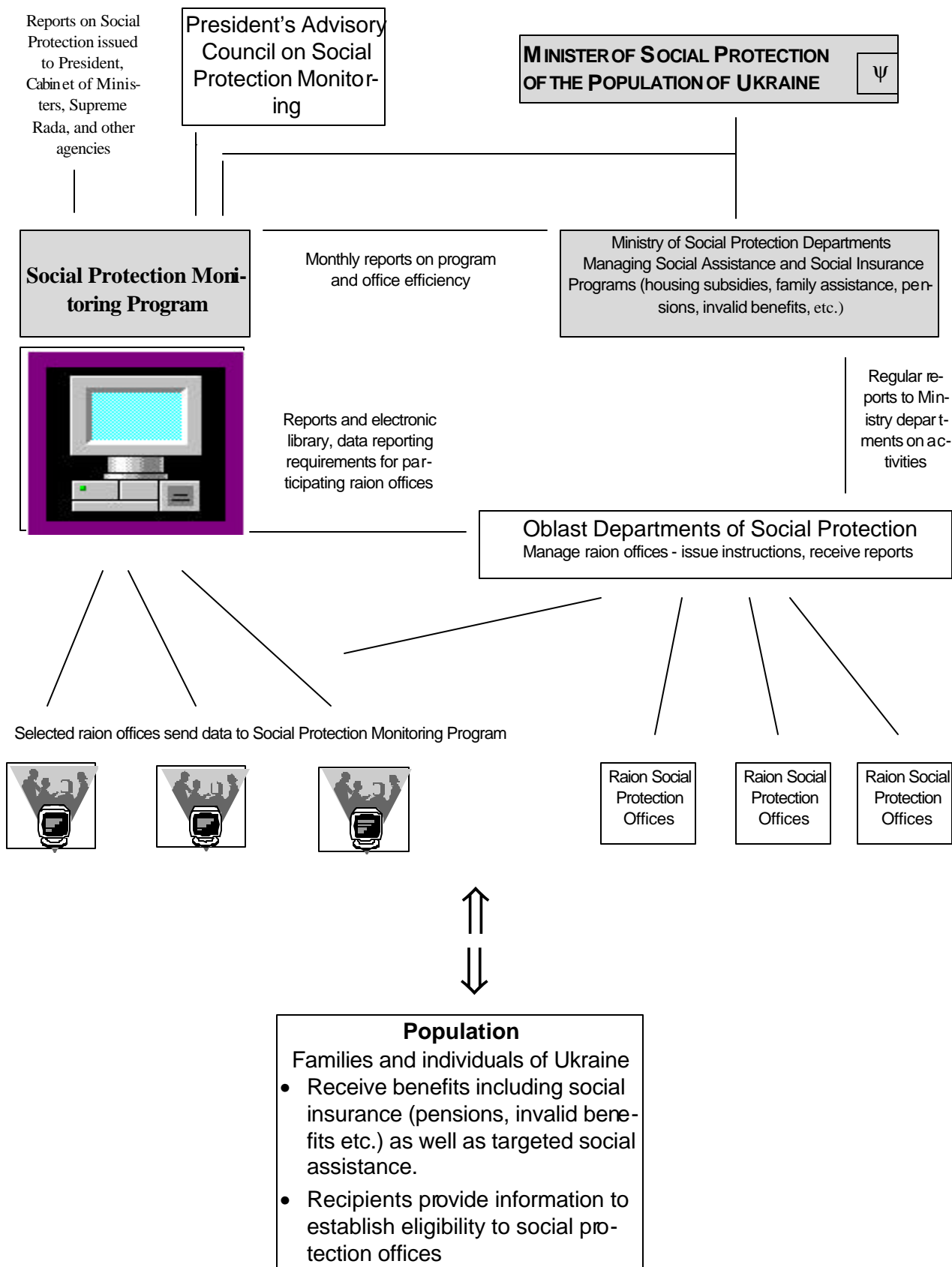
3.3.1 Data Reported Directly From Oblast and Local Offices of the Ministry of Social Protection

The most important sources of data will be those generated by the Ministry of Social Protection itself through the administration of social insurance and social protection programs. These data will be collected on the computers in which data concerning the individuals and families assisted by social protection programs are maintained. The data may be transmitted to the Department computerized databases either on disk or directly through modem and e-mail. Data transmitted in this way can be used to provide fast and accurate measures of important program variables such as the number of families enrolled in the program, the costs of program expenditures, and other data.

3.3.2 Data From Regular Surveys of the Population⁵

To understand the changing needs for social protection of the population of Ukraine, it is necessary to be able to compare the economic and social conditions of the groups served by social insurance and social assistance programs with the economic and social status of the population at large. Therefore, a survey of the incomes and expenditures of a sample of the population at large is needed.

⁵ State statistical bodies— which include the Ministry of Social Protection of the Population of Ukraine, have the right "to organize and provide for the collection of state statistical information, surveying family budgets with the families' consent, population censuses, one-time surveys, questionnaires, and other surveys" (Article 12: "On State Statistics," Law of the Supreme Rada, No. 2615-12, September 17, 1992). These activities may be conducted "by decision of the Cabinet of Ministers" (Article 10).

Figure 1: Administration of Department of Social Protection Monitoring

The Department of Social Protection Monitoring would oversee the conduct of a national longitudinal household expenditure and income survey either twice a year or four times a year to measure the changing economic circumstances of families in Ukraine.⁶ These expenditure surveys will become an important source of information on real household incomes which can then be used to improve the targeting of national social assistance programs. The survey would be similar to a survey conducted in Ukraine in June 1995 under the auspices of the World Bank.

The survey should cover about 2,000 households and will use a nationally representative random sample for Ukraine. They will follow the urban/rural split and will provide for a proportionate representation of age, gender, occupation and education structure of the population. Large national groups will also be proportionately represented. A sample of families may be requested (and paid) to maintain expenditure diaries.

3.3.3 Data from other Ministries Shared with the Department of Social Protection Monitoring Under Special Agreements

The population sample should be augmented by data provided from other ministries that are useful in showing the economic and social well-being of families in Ukraine. For example, as the National Tax Administration develops its new system of wage and income reporting based on individual Tax Payer Identification Numbers (TINs), it will be possible to prepare quarterly summary information that show levels and rates of changes in incomes from different sources among individuals and families in Ukraine. It will be necessary to ensure that the data protect the privacy of taxpayers and also that the data are prepared in such a way as to ensure compatibility with data generated from other sources.

It will also be necessary to ensure that the cost – in terms of staff time, computer equipment, and software development are recognized and minimized. Wherever possible, during the initial years of the work of the department, international assistance should be sought to finance some of the costs of developing reporting systems (see below). International assistance should also be sought to provide technical advice on the best techniques for compiling and collecting data.

3.3.4 Data From Special Surveys Undertaken by the Department of Social Protection Monitoring

Many social insurance and social assistance programs are aimed at specific groups within the population – usually those who are least able to provide for themselves: these include invalids, the elderly, and young children. If these programs are to meet their objectives, it is essential that the conditions facing these groups are carefully monitored. In conducting its regular assessments of the needs of the population and the effectiveness of social assistance programs, therefore, the Department of Social Protection Monitoring will need to conduct special surveys, interviews and statistical analyses of these target groups. The Department may also undertake surveys to measure public opinion toward different aspects of the social protection system, public awareness of programmatic changes, and other public opinion issues.

These activities will generate special databases that can be added to the regularly compiled databases.

⁶ To provide the greatest possible relevance to policy makers, the biennial surveys should be timed to provide data that will be of use to the budget cycle. Therefore, surveys compiling data in February and August allowing the release of statistical tables in April and October should be considered.

3.4 TYPES OF REPORTS AND ANALYSES PREPARED BY THE SOCIAL PROTECTION MONITORING DEPARTMENT

The Department with the data resources described above will be in a unique position to provide valuable information for several different purposes: it will be able to assist the President of Ukraine, the Cabinet of Ministers, individual ministries, and the Supreme Rada in the process of developing social protection policies and programs; it will also be able to provide the Minister of Social Protection with information on the effectiveness of existing programs and also to provide normatives for serving families against which the effectiveness of individual local social protection offices can be judged. It is recommended that the Department prepare the type reports described in the following subsections.

3.4.1 Annual Social Protection Report

Each year, the Department would prepare and the Minister of Social Protection (or the President of Ukraine) would issue an annual report intended to be read by the people and elected officials in Ukraine. It would be released at a major press conference at a time close to the submission of the annual budget by the Cabinet of Ministers to the Supreme Rada (September, annually).

The purpose of the report is to summarize the economic and social changes that have affected the population of Ukraine during the previous year and to report on the effectiveness of the major social protection programs (pensions, invalid benefits, targeted subsidies, etc.) in meeting those changing needs. The report will, therefore, provide a context against which to review the requests for budget appropriations for social protection spending.

It will also provide a reliable and easily understandable picture of the changing circumstances for Ukrainian families and individuals. The result should be a more informed media on issues related to social protection and also a more informed debate about the condition of the people.

3.4.2 Monthly Social Protection Statistical Reports

Each month, a statistical bulletin would be issued reporting the previous month's developments in social protection indicators and programs. The report would be automated – using computerized data reported from a statistically representative sample of local social protection offices. This data can be processed and converted into summary tables with the minimum of time and effort from department staff. A model of this type of report is under development by PADCO for the housing subsidy program. The connection of up to 36 raion and city level housing subsidy offices with the Ministry of Social Protection is already in process. The procedures that have been used to develop the monthly housing subsidy statistical bulletin can be applied to all other social protection programs. The necessary steps are shown in Table 1, below.

The topics covered in the monthly statistical report would include (for all major programs):

1. Number of families or individuals receiving benefits from the program (percent change from last month and cumulative total for the year to date);
2. Characteristics of families receiving benefits (changes over time)
3. Cost of benefits provided (and budget transfers made for these benefits);
4. Projected expenditures under the program to the end of the year;
5. Comparison of benefiting families (or individuals) with population as a whole.

Data could be presented for the nation as a whole, for oblasts (and Kyiv, Sevastopol and Crimea) and for different types of region (urban versus rural, or big cities versus towns, for example).

3.4.3 Social Protection Policy Reports

The Department staff would also prepare regular policy reports that would address issues requested by the Minister of Social Protection or the Advisory Council. These policy reports would review the impact of the GOU's existing social protection programs on the economic situation of the poor. They would estimate how well public transfers of cash and in-kind benefits (such as the housing subsidy program) meet the needs of different groups of the poor. The inevitable widening of income disparities that accompanies economic transformation make it vital that policymakers be able to monitor what types of low-income families and individuals are receiving benefits, the extent that this lifts them above poverty, and the gaps remaining in Ukraine's emerging social protection system.

Special reports could examine how benefits from social protection programs are distributed among different income groups, the impacts on program efficiency of the introduction of computers, analyses of social protection pilot programs and projects that have been conducted, and other issues important to public sector managers and to policymakers.

3.4.4 Quarterly Social Protection Fiscal Reports

As the Government of Ukraine reduces the budget deficit and seeks to reduce the arrears in the payments of wages and benefits, it needs to know how much it is spending (and is likely to spend by the end of the year) in different program categories. Since Social Protection accounts for more than one third of the governments spending (if pensions are included) monitoring the fiscal impacts of social protection programs is increasingly important.

The Quarterly fiscal reports could show the value of benefits granted to people (projected to the end of the fiscal year), the value of budget expenditures, shortfalls and cost overruns, and the administrative cost of the programs. At present, the planned budget is published and the quarterly amendments are also publicly available. Information on budget realizations is less readily available and is guarded by the Ministry of Finance. It is now available on a database created and maintained by the Supreme Rada and can be accessed by subscribers.

3.4.5 Social Protection Research Reports

The database that is assembled by the Department of Social Protection Monitoring would be a valuable resource for longer-term research and analysis. While the first four types of reports described above are relatively short term, it will be necessary for the department to support long-term research as well. The database (with appropriate safeguards to maintain individual privacy) should be made available to Universities and Institutes as a research aid. Eventually, the Department may be able to contract with university researchers to provide careful and rigorous analyses of social protection issues.

3.4.6 Electronic Library

The electronic library is the complete set of all normative documents (and reports issued by the Social Protection Monitoring Department) that will be available "on-line" and through FAX requests to oblast offices and even directly to raion offices. Today, there is no single source of all normative acts, instructions and other material concerned with social protection programs.

The Ministry of Social Protection and PADCO are in the process of creating an electronic library of material relevant to the housing subsidy program. Data will be added to the library that is already stored on computers. Other material will be scanned into computers for easy access. The data sources include:

1. Information on normative acts related to social protection available from the Supreme Rada on CD-ROM, updated bi-weekly.

2. Information accumulated on the computers of the Ministry concerning opinions, answers to questions, instructions and other documents;

Table 1.
Main Stages in Developing Statistical Reporting System for Social Protection Programs

Steps in Developing Reporting System	Comments
<i>Step 1: Design of desired format for statistical reports</i>	Based on international experience of statistical monitoring and reporting of pension and family assistance programs, the Ministry of Social Protection designs the report format. The format specifies the statistical indicators that would be included in the monthly report which, in turn, determines the data to be maintained in program databases.
<i>Step 2: Identify a representative sample of local offices</i>	The sample of reporting offices should, taken together, be representative of the nation as a whole, should represent different types of local areas (by region and urban versus rural). The use of a representative sample ensures that estimates of program data for the nation as a whole are accurate and can easily be made.
<i>Step 3: Gather data and computerize sample offices</i>	The necessary equipment – computers, modems, e-mail access, printers, are installed in the pilot offices. Local office staff are trained in preparing monthly reports.
<i>Step 4: Standardize databases in local offices</i>	Based on the required data to be reported and the type of information reported by people and families receiving benefits, the type of data that must be maintained on computers in participating offices is specified and instructions are issued by the Ministry to local offices.
<i>Step 5: Design database reporting software</i>	Software program to automate the data reported by participating local offices is designed, installed in local computers and staff trained in its use.
<i>Step 6: Design software that creates reports from raw data automatically</i>	The purpose of the reporting system is to generate reports of major social protection programs quickly: this is achieved by feeding the data reported from the individual reporting offices into specially -prepared software programs. The system developed for the housing subsidy program uses SPSS and EXCEL.
<i>Step 7: Aggregate data from individual offices into single data base.</i>	The Social Protection Monitoring Department will combine individual reports from raion offices into a single database. This process involves elimination of duplicates and “data auditing” for unlikely values and for missing values.
<i>Step 8: Prepare tables and graphs for monthly reports.</i>	The software report package prepares summary tables from the monthly database.
<i>Step 9: Analyze data in summary tables and write commentary</i>	Economic and sociological analysis of the statistical tables is performed. Comments on the tables are then summarized in the form of brief bullet points in a monthly statistical bulletin. Once finalized, the bulletin is printed and distributed.
<i>Step 10: Internal review of draft report</i>	Key experts would be identified within the Ministry, in Institutes, and from international organizations to review monthly reports before they are distributed.
<i>Step 11: Printing and distribution of monthly statistical reports</i>	Monthly bulletins with statistical information on monitored social protection programs are distributed to the interested government bodies, members of Supreme Rada, parties, research institutes, and individuals. In addition to monthly editions of statistical bulletins on pensions and family assistance programs, quarterly publications would be made to focus on more specific themes such as the role of government programs of social assistance in welfare of 1) the elderly (particularly the elderly living alone); 2) families with many children; 3) families with single parents; 4) the unemployed; and 5) families with disabled family members

Source: PADCO

3. The quarterly journal "Social Protection," issued by the Ministry; and
4. Information from international organizations (in Ukrainian) on social protection issues; this includes research papers by the World Bank, PADCO, TACIS, and other agencies.

The library will be created on a file server within the Department of Social Protection Monitoring. For documents which are used often, local, smaller scale libraries will be created within Oblast departments of Social Protection. By April 30, 1997, all Oblast Departments of Social Protection will be connected by e-mail. The electronic library will include a simple -to-use search program that will enable local users to search based on key words and topics or sources.

The library would be updated continuously – with new material added not only by the Ministry, but also by participating Oblast Departments and even raion offices. The system will allow offices that have created successful local programs to circulate descriptions of those programs throughout the social protection system.

3.5 STAFFING THE SOCIAL PROTECTION MONITORING PROGRAM

3.5.1 Overall Staffing Requirements

The Department's full time staff would be full time employees of the Ministry of Social Protection and would be paid for through the Ministry's budget. They will be supplemented by consultants who will be employed for specific research tasks identified in the work plan prepared by the head of the Department and approved by the Minister of Social Protection and the Advisory Council. Full time staff will be expanded over the planned five years reflecting the growing number of research tasks assigned to the center and the growing role of data collection and analysis. The full time staff will grow from 8 in the first year to 18 in the fifth year. Staff members will be experienced in social protection, statistics, and research issues. These staff members will receive additional training through three ways:

1. By working with international organizations such as USAID, the World Bank, the ILO and TACIS that have researchers in Ukraine working on social protection issues.
2. By designing special education and training programs in Europe and the United States for staff
3. Through the assignment to the Department of international experts to work with the staff on social policy issues.

3.5.2 Ensuring High Quality Analysis

The analysis of economic and social issues will, inevitably, attract controversy because it focuses on issues that concern so many people so deeply. Therefore, many of the conclusions will be challenged. One way to protect the new Department from political attacks is to ensure that the research it undertakes is of the highest quality. There are three ways to encourage high-quality research:

1. Drawing on part-time researchers from a wide variety of academic and quasi-academic institutions to participate in the research activity;
2. Requiring all publications to go through an external review process -- using experts from various fields from within Ukraine and internationally as reviewers;
3. Creating the "President's Advisory Council for Social Protection Monitoring" (see Section 2.2 above) that would include Ukrainian and international experts who would review the activities of the Department perhaps four times a year (representatives of donor countries that have contributed to funding the Center would be included on this panel). In addition, the Advisory Council would also ensure the availability of the Centers' data and analyses to the general public.

At present, there will be little problem in ensuring that any information generated by the Center and published through the Bulletins would be extensively used by decision makers. Social protection is probably the most heatedly debated policy issue in Ukraine and any relevant numbers are instantly used. Provided the Center maintains a policy of publishing information (perhaps with a lag to allow policy makers time to respond to the data), then policy makers will use the information put out by the Center. The terms and conditions for making data and analyses prepared by the Center available to the general public will have to be negotiated with the Cabinet of Ministers.

3.6 FINANCING THE SOCIAL PROTECTION MONITORING PROGRAM

In the long term, the operating costs of the Department of Social Protection Monitoring will be fully met from budget appropriations from the State Budget supplemented by whatever fees for service the Department is able to collect by charging outside users for access to its databases and other services.

In the short term, however, the Government of Ukraine lacks the fiscal resources to cover the set up and operating costs of the proposed department. During this period, supplemental sources of funding would be sought by the GOU to meet expenses associated with the start-up of the Department. Possible sources to cover different types of expenses are shown in Table 2.

Table 2:
Possible Sources of Assistance in Creating the Social Protection Monitoring Program

Type of Start Up Expense	Potential Funding Sources
Equipment, including file servers, computers, telecommunications equipment, copiers, printers	<ul style="list-style-type: none"> • The World Bank – grant for capacity development • The World Bank – part of proceeds of loan for social protection and public sector restructuring • EBRD • Individual donations from countries
Training of staff	TACIS, USAID, bilateral technical assistance programs that may provide experts to work in the Department as well as special training programs in data collection, data processing and data analysis
Development of data gathering infrastructure – standardized databases, telecommunications links, trained staff in local offices.	USAID, TACIS and other donors operating social protection technical assistance programs in Ukraine. Private companies including financial firms, telecommunications companies, etc.
Conduct of surveys and special projects	Ongoing technical assistance programs in Ukraine

4. IMPLEMENTATION PLAN FOR SOCIAL PROTECTION MONITORING PROGRAM

It is recommended that the following steps should be undertaken to create the Social Protection Monitoring Program during the next twelve months.

- Step 1: The Ministry of Social Protection should develop a complete and detailed 5-year workplan for the new Department. This workplan should include the specification of the data sources, activities, and system of administration of the new Department as well as a plan for the provision of facilities and staff. The workplan should also include a proposed five year assessment of financial needs.
- Step 2: The Ministry of Social Protection should reach an agreement with the Cabinet of Ministers regarding the administrative status, system of oversight, staffing level, and financing for the Department. The Cabinet should prepare the necessary normative acts to ensure that the new Department has the powers to conduct its activities.
- Step 3: The Ministry of Social Protection should negotiate with international donors to secure a financial commitment from the donor community, including the World Bank, European Union (TACIS and EBRD), and USAID to fund the activities of the Department.